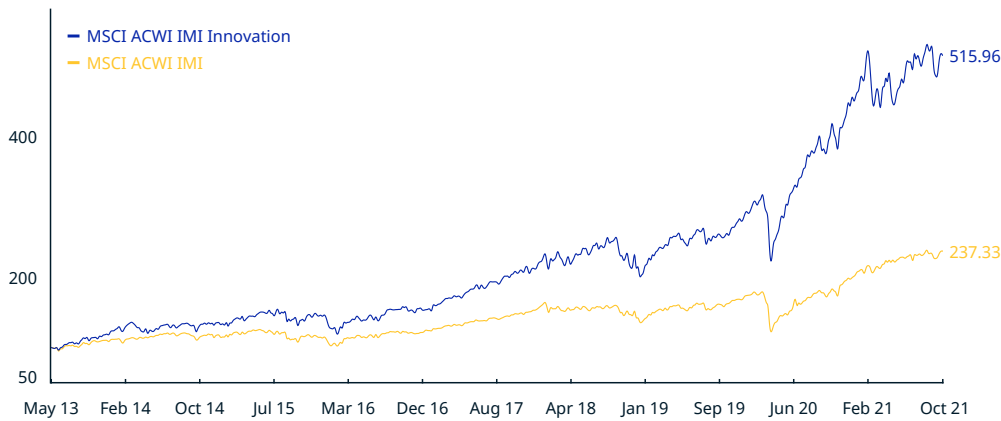


# MSCI ACWI IMI Innovation Index (USD)

The MSCI ACWI IMI Innovation Index, developed in collaboration with ARK Invest, is based on the MSCI ACWI IMI Index\*, its parent index, and includes large, mid and small-cap securities across 23 Developed Markets (DM) and 27 Emerging Markets (EM) countries\*\*. The Index aims to represent the performance of a set of companies that have high exposure to the following themes through a well-diversified, rules-based and transparent index - Autonomous Technology & Industrial Innovation, Genomic Innovation, Fintech Innovation, and Next Generation Internet Innovation.

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (MAY 2013 – OCT 2021)

## ANNUAL PERFORMANCE (%)



| Year | MSCI ACWI IMI Innovation | MSCI ACWI IMI |
|------|--------------------------|---------------|
| 2020 | 55.74                    | 16.25         |
| 2019 | 41.47                    | 26.35         |
| 2018 | -2.43                    | -10.08        |
| 2017 | 38.10                    | 23.95         |
| 2016 | 4.90                     | 8.36          |
| 2015 | 8.63                     | -2.19         |
| 2014 | 7.76                     | 3.84          |

## INDEX PERFORMANCE – NET RETURNS (%) (OCT 29, 2021)

## FUNDAMENTALS (OCT 29, 2021)

|                          | 1 Mo | 3 Mo | 1 Yr  | YTD   | ANNUALIZED |       |       |                    | Since May 31, 2013 | Div Yld (%) | P/E   | P/E Fwd | P/BV |
|--------------------------|------|------|-------|-------|------------|-------|-------|--------------------|--------------------|-------------|-------|---------|------|
|                          |      |      |       |       | 3 Yr       | 5 Yr  | 10 Yr | Since May 31, 2013 |                    |             |       |         |      |
| MSCI ACWI IMI Innovation | 3.63 | 2.05 | 35.26 | 13.50 | 32.09      | 27.85 | na    | 21.52              | 0.23               | 67.53       | 40.59 | 7.12    |      |
| MSCI ACWI IMI            | 4.86 | 3.18 | 38.18 | 16.84 | 17.32      | 14.59 | na    | 10.81              | 1.70               | 23.02       | 18.39 | 2.93    |      |

## INDEX RISK AND RETURN CHARACTERISTICS (OCT 29, 2021)

|                          | Turnover (%) <sup>1</sup> | ANNUALIZED STD DEV (%) <sup>2</sup> |       |       | SHARPE RATIO <sup>2,3</sup> |      |       | Since May 31, 2013 | MAXIMUM DRAWDOWN |                       |
|--------------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
|                          |                           | 3 Yr                                | 5 Yr  | 10 Yr | 3 Yr                        | 5 Yr | 10 Yr |                    | (%)              | Period YYYY-MM-DD     |
| MSCI ACWI IMI Innovation | 40.30                     | 20.81                               | 18.31 | na    | 1.40                        | 1.37 | na    | 1.17               | 30.07            | 2020-02-19–2020-03-23 |
| MSCI ACWI IMI            | 3.42                      | 18.05                               | 15.03 | na    | 0.91                        | 0.90 | na    | 0.76               | 34.52            | 2020-02-12–2020-03-23 |

<sup>1</sup> Last 12 months <sup>2</sup> Based on monthly net returns data

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

\*The index also includes equity securities that are not classified as US securities in the ACWI IMI Index but are listed on eligible US exchanges according to the MSCI Global Investable Indexes Methodology.

\*\*DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI ACWI IMI Innovation Index was launched on Apr 20, 2020. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

### INDEX CHARACTERISTICS

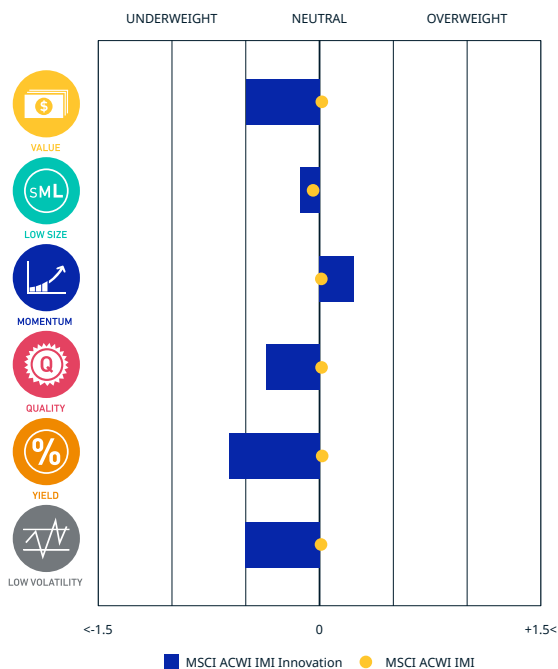
| MSCI ACWI IMI Innovation |               |
|--------------------------|---------------|
| Number of Constituents   | 591           |
| Mkt Cap (USD Millions)   |               |
| Index                    | 13,770,547.80 |
| Largest                  | 841,795.42    |
| Smallest                 | 27.19         |
| Average                  | 23,300.42     |
| Median                   | 2,157.26      |

### TOP 10 CONSTITUENTS

|                 | Country | Float Adj Mkt Cap (USD Billions) | Index Wt. (%) | Sector      |
|-----------------|---------|----------------------------------|---------------|-------------|
| MODERNA         | US      | 841.80                           | 6.11          | Health Care |
| AMAZON.COM      | US      | 643.56                           | 4.67          | Cons Discr  |
| NVIDIA          | US      | 637.60                           | 4.63          | Info Tech   |
| VISA A          | US      | 570.81                           | 4.15          | Info Tech   |
| MASTERCARD A    | US      | 549.07                           | 3.99          | Info Tech   |
| SALESFORCE.COM  | US      | 507.64                           | 3.69          | Info Tech   |
| PAYPAL HOLDINGS | US      | 477.64                           | 3.47          | Info Tech   |
| TESLA           | US      | 468.86                           | 3.40          | Cons Discr  |
| WUXI BIOLOGICS  | CN      | 394.88                           | 2.87          | Health Care |
| ALPHABET A      | US      | 394.05                           | 2.86          | Comm Srvc   |
| Total           |         | 5,485.90                         | 39.84         |             |

### FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

#### MSCI FACTOR BOX



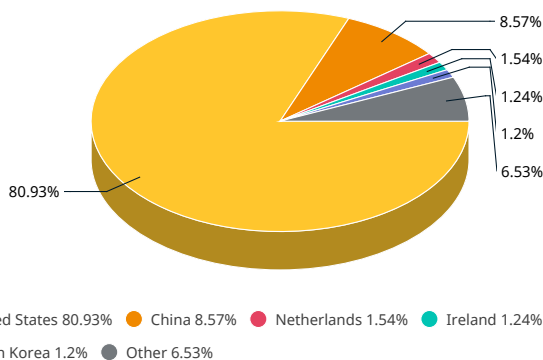
#### MSCI FaCS

- VALUE**  
Relatively Inexpensive Stocks
- LOW SIZE**  
Smaller Companies
- MOMENTUM**  
Rising Stocks
- QUALITY**  
Sound Balance Sheet Stocks
- YIELD**  
Cash Flow Paid Out
- LOW VOLATILITY**  
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

### COUNTRY WEIGHTS



## INDEX METHODOLOGY

The Index is constructed from four MSCI Thematic Indexes ("Component Indexes") - MSCI ACWI IMI Autonomous Technology & Industrial Innovation Index, MSCI ACWI IMI Genomic Innovation Index, MSCI ACWI IMI Fintech Innovation Index, and the MSCI ACWI IMI Next Generation Internet Innovation Index.

The MSCI ACWI IMI Innovation Index is constructed in following steps. First, high exposure indexes are constructed for each component indexes by selecting securities in the top half of the respective component thematic index by revenue linked relevance scores. The final index is an equal weighted combination of the high exposure indexes derived from the four thematic indexes. Additionally, constituent weights are capped at the issuer level to mitigate concentration risk in the Index.

The Index is reviewed on Semi-Annual basis in May and November to coincide with the May and November Semi-Annual Index Review of the Parent Index, and the changes are implemented at the end of May and November, respectively. ARK Invest provides expert input, information and insight that is consultative in nature and is utilized by MSCI at its sole discretion.

## FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

## ABOUT MSCI

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